

19 December 1985

MEMORANDUM FOR: Senior Review Panel Members

FROM: Director of Central Intelligence

SUBJECT: Report on a Study of Intelligence Judgments
Preceding Significant Historical Failures:
The Hazards of Single-Outcome Forecasting

1. I compliment you on your study of intelligence judgments preceding significant historical failures. I think that the broad perspective you provided in your identification of single-outcome forecasting as the root of the problem is right on the nose.

2. However, you have done such a good job and developed so much background that I am asking you to go a little further by focusing in on specific turning points within some of the episodes with which you dealt broadly and determine whether we saw what was happening and where it could lead, whether we raised the question, whether we speculated on alternative possibility and what that speculation might have been, whether there was any evidence indicating the actual eventuality, where we missed it, what we should have looked for. For example, you provided an assessment of overall problems on Vietnam. What I would like to see added to that is a focus on the specific judgments made at turning points, the evidence and analysis provided at a critical point in time or on a specific development which actually occurred--could it have been foreseen--what evidence was there, what should have been looked for, which speculations in retrospect were reasonable and were they put forward?

3. For example, when North Vietnam launched its offensive in 1975, did we think they were going to Saigon or did we tell ourselves they had limited objectives? In the latter point was the speculation ever raised? When did the evidence of the ultimate objective accumulate?

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4. Similarly, did we speculate the Soviets were going to control Afghanistan, that the Shah was finished and what the alternative outcomes might be, what the alternatives to Somoza might be? Menges did a study on Cuba and Nicaragua which addressed some of these questions.

5. To see whether you can do what I am now asking, I suggest concentrating on the decision in North Vietnam to go for Saigon, the decision of the Soviets to take control of Afghanistan, and perhaps the decision of the North to intervene in South Vietnam. We'll wait on Cuba and Nicaragua until we see how much help is available from the Menges exercise.

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6. In the meantime, I'd like to see drafts of the aborted 1978 estimate on Iran, as well as NIE 63-754 published on 22 November 1964, which you cite as a model of clear, concise estimation.

7. On page 4 of Tab B on the likelihood of all-out Soviet support of Hanoi, I present these questions relevant to the further analysis for which I am now asking:

-- Was there not a significant escalation of Soviet support subsequent to 1965?

-- When did USSR become the primary supplier?

-- What were we saying about them from 1965 to 1975?


William J. Casey

THE LIKELIHOOD OF NORTH VIETNAM INTERVENTION IN SOUTH VIETNAM

The emergence of Ho Chi Minh as the leader of the Vietnamese Nationalist movement began in obscure maneuverings by revolutionary Vietnamese groups at least as early as the 1920s if not before.

In the broad objectives of these disparate groups, it was always a cardinal tenet that the Vietnamese should one day be unified under their own government and that they would secure a position of primacy over the other peoples of Southeast Asia.

Therefore, there was never any substantial confusion within the Intelligence Community with respect to the aims of the Lao Dong (Communist) party that it intended one day to control all of Vietnam. What was in dispute was the party's ability to accomplish these objectives and the degree to which the North Vietnamese were acting as agents of the world Communist movement.

Vietnam is second in importance only to the Soviet Union as reflected by the number of SNIEs and NIEs which have been published on its activities. At least 34 NIEs and 30 SNIEs are listed since the first, NIE 5, was published in 1950.

Vietnam was an important factor in a large number of ancillary intelligence documents in which the primary focus was on China, Laos, Cambodia, South East Asia, etc.

NIE 5 was remarkably prescient, if sobering. The paper questioned whether the French had the will to remain, speculated that the Chinese might already have intervened, acknowledged that Viet Minh capabilities were growing faster than the French, that the Viet Minh could probably drive the French out of North Vietnam within six to nine months and finally concluded that "control of the Viet Minh would eventually entail Communist control of all Mainland Southeast Asia in the absence of effective Western assistance to other countries in the area."

If Ho Chi Minh always intended to reunify Vietnam and its peoples under his leadership, he nevertheless was a realist. After losing his initial grab for complete control in August of 1945, he began methodically to pursue the ultimate victory by securing a series of intermediate objectives.

His initial reverse was dealt by the British General Gracie who was instructed to disarm the Japanese south of the 17th parallel while the Chinese Nationalists performed the same task north of the parallel.

way. The Viet Cong hard core had risen to more than 12,000 with several thousand additional supporters. Half the area south and southwest and several areas northwest of Saigon were under extensive control of the Communists. The paper suggested that with continued high levels of US aid and effective SVN efforts, the Viet Cong control of large areas could be reduced. The paper speculated that the death of Diem could provide the Communists with an opportunity to seize control of the government.

In 1961 SNIE 53-2-61 traced the infiltration routes for men and supplies and analyzed Viet Cong operations. Viet Cong strength was estimated at 16,000 despite recent losses of 1,200.

In April 1965 SNIE 53-65 was published just prior to our major escalation with the introduction of US ground forces. This document concluded that Communist progress had been blunted and that the situation was improving. The paper considered it unlikely that in view of open US commitment, the North Vietnamese regime would either resort to direct military attack or would introduce overt North Vietnamese military units into the south. The paper stated the Viet Cong could be contained militarily and progress could be made in expanding the area of government control. However a note of caution was included admitting that the course of the war could not be predicted with any confidence and that the capacity of the government to embark on required measures was questionable.

In reviewing the mass of documents produced by the Intelligence Community, although not immune to the fads that seized the US Government from time to time, they nevertheless stand up quite well.

It might be fair to say, however, that the publications of the Intelligence Community did not prevent US policymakers from reaching several erroneous judgments.

US policymakers overestimated the deterrent value of successive incremental escalations of the application of force in our efforts to stabilize South Vietnam.

US policymakers underestimated the resourcefulness of the North Vietnamese in their ability to adjust to the new level of conflict after we had raised the ante.

The Intelligence Community disagreed on two issues. One, the quantity of supplies entering South Vietnam by sea through the port of Sihanoukville, between 1967 and 1970, and second, the strength of the Viet Cong forces within South Vietnam prior to the Tet Offensive of January 1968.

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THE LIKELIHOOD OF ALL-OUT SOVIET SUPPORT OF HANOI

From 1945 to 1950 the Soviet Union seems to have been preoccupied with problems closer to home and to have paid little attention to the events in Vietnam.

However, Chinese Nationalist assistance and support began during the war years and was designed to tie down Japanese imperial forces which would otherwise have been available to increase the pressure on the Chinese forces further north.

With the victory of the Chinese Communists over the Chinese Nationalists in 1949, Ho Chi Minh found fraternal support from his Communist neighbors to the north. What arms and equipment were available to the Viet Minh from the days of World War II through the early 1950s appear to have been captured from the Japanese or the French, or were items supplied by the Chinese of Chinese manufacture.

It was not until January 1950 that Ho Chi Minh journeyed to Moscow and signed a pact with the Soviet Union. Soviet arms began arriving about a year later. It would seem that the Soviet Union initially acted as a backup supplier. Basic North Vietnamese requirements continued to be satisfied by the Chinese Communists. However, as the level and the complexity of the conflict escalated and more sophisticated weapons systems were required to cope with the challenge of the US supported South, the Soviet Union made available its arsenal of weaponry and equipment. By 1965 the USSR had assumed the responsibility for providing from 70 to 95 percent of the military aid received by Hanoi. This included SAMs, AA guns, aircraft, trucks, radar jet fuel, etc. China continued to supply some of the simpler weapons for the infantry, some ammunition, a few aircraft and some trucks.

Although some of our estimates speculated about the problems created for North Vietnam by the Sino-Soviet split, the conclusion was consistently drawn that though the rupture posed difficult dilemmas, North Vietnam would continue to receive needed support from both of its Communist allies. Events bear witness that the Chinese and the Soviets, whatever their differences, responded adequately to the needs of the North Vietnamese.

As each South Vietnamese or US threat developed and was recognized, the North Vietnamese set about developing an effective response. Tactics, techniques, and equipment as

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necessary were brought together; troops were trained and fielded expeditiously.

The Chinese provided troops to maintain the rail lines entering Vietnam from China and the Soviets initiated a sea lift to maintain a steady flow of essential supplies. The frequency and momentum of North Vietnamese operations was a function, more of the capability to move supplies down the Ho Chi Minh trail, than the availability of this material in Hanoi.

It is difficult to fault the Intelligence Community for their performance in predicting the level and character of Soviet support. NIE 63-7-54, published 23 November 1954, is a model of clear, concise estimation. It laid out succinctly the broad outlines of the strategy which the North Vietnamese pursued relentlessly until their final victory. *plot me see*

NIE 63.1-55, published on the 19th of July 1955, concluded that the Sino-Soviet Bloc would almost certainly provide sufficient economic and technical assistance to meet minimum requirements. The estimate noted that the North Vietnamese regular army had been receiving new and heavier military equipment from Communist China. The NIE specified that East Germany, Poland, and the Soviet Union had promised to send needed equipment, machinery, and technicians to train North Vietnamese personnel. The USSR had negotiated with Burma for supplies of rice.

NIE 63-56, published in July 1956, detailed Bloc grants to North Vietnam. It was estimated that China had contributed \$300,000,000 and the USSR \$100,000,000.

NIE 63.2-57, published in May 1957, described the developing complexity of the North Vietnamese armed forces which by this time included a 268,000 man army, a small navy which was considered a maritime adjunct of the army, and a quasi air force. The estimate admitted it had little information on either the number of advisors or the current extent of Chinese (or Soviet) military assistance to North Vietnam.

By 1959 the Community concluded that North Vietnam had been bolstered by over \$500,000,000 worth of Bloc aid. China had supplied 55 percent, USSR 30 percent, and the rest came from the satellites. Military aid was in addition to that amount of economic support. The paper stated that military aid, in violation of the Geneva Agreements, was being received from the Bloc but precise information on types and amounts was not available. The estimate speculated that "In the event of large

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Khrushchev. The paper continues: "We believe the USSR now hopes to rebuild influence in Hanoi and to deter the US from expanding the scope of hostilities. To this end the Soviets would probably increase their military and economic assistance to North Vietnam to include additional air defense equipment and perhaps jet fighters and surface-to-air missiles. They would probably also offer a full line of equipment for use in insurgency and subversion. The paper doubted the Soviets would undertake the military defense of North Vietnam or run very high risks to protect it." Again the Community estimate corresponded with the events as they unfolded in the months ahead.

General Bruce Palmer in his review of intelligence performance in South East Asia cites one logistic dispute in which the CIA appears to have committed a significant misjudgment. During the years 1967-1970, CIA seriously underestimated the volume of supplies entering Sihanoukville by sea and moving overland to the Vietnamese Communist forces in II, III, and IV corps zones.

With this exception, a review of the primary documents published by the Intelligence Community from 1950-1974 indicates a good grasp of the sources and quantity of assistance to the North Vietnamese. The growing role played by the USSR in providing weapons and supplies is well covered. Estimates in general realistically estimated the degree and extent of Soviet support.

WJM

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IRAN

In the 1960s and '70s, US policy in the Middle East was closely tied to Iran and particularly to its ruler. Successive Presidents visited and entertained the Shah, US investment and exports of goods and services flowed to Iran. The US looked upon Iran as a bastion of military strength and political stability, and encouraged it to spread its influence beyond its borders. In 1978-79 the entire structure collapsed, and the US in subsequent years faced humiliation, insult, and vituperative enmity from a Moslem cleric who had replaced the Shah as ruler. To what extent was the Shah's fall predictable, and what did the US Intelligence Community have to say in advance about the Shah's prospects?

Despite a track record of continually extensive and intensive NIEs, SNIEs, from 1951 through 1975 (27 items in inventory, rate approximately one per year), there is nothing whatsoever listed for the five years following May 1975, when NIE 34-1-75 appeared. It is a comprehensive and balanced piece of work, duly coordinated in the Community, and representing the best expertise available on Iran, both within the Community and in the academic world. It is perfectly consistent with conventional wisdom of the day. It says in effect that the monarchy is strong, unlikely to allow popular participation in government, determined to push its modernization plans, expand its military power and foreign relations influence, and likely to produce strains in the US relationship arising from Iranian national assertiveness.

The NIE concedes that the chief weakness seen in Iran is that too much depends on the Shah himself and that his death could release forces of instability. In the discussion (paras. 16-20) there is treatment of the religious opposition, intellectual dissent, and terrorism, and a forecast that domestic strains will grow, although there is "little prospect during the next few years for a serious challenge to the Shah's total control . . ." (There was dissent from US Air Force Intelligence, which felt the estimate overstated the extent and significance of dissent.) Hindsight would call this a reasonable estimate in standard terms; what was missing was a worst case conjecture on the prospect of a successful opposition.

Following this estimate, there was nothing in 1976 or 1977 in the Community process, followed by one IAC in 1978. There was an abortive NIE project for 1978, but nothing was produced.

Let to see last draft of this